



INSIDE REGION 2

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U.S. Small Business Administration
26 Federal Plaza, Room 3108
New York, New York 10278
(212) 264-1450 Fax: (212) 264-0038

Michael Pappas, Regional Administrator
Region 2
New York, New Jersey, Puerto Rico/USVI



Administrator Barreto Appoints New District Director of PR/USVI

Administrator Hector V. Barreto has appointed Ms. Carmen A. Culpeper as the new district director of the Puerto Rico and U.S. Virgin Islands District Office.

In announcing the appointment SBA Administrator Barreto praised her expertise and outstanding management skills, stating that "her leadership will help the SBA reach out to more small businesses as they get started, grow and create jobs. I believe her public and private sector experience make her an outstanding choice to help the SBA achieve the ambitious goals President George W. Bush has set for this agency and its 25 million small business customers."

Prior to joining the SBA, Carmen worked as an independent broker for Santander Securities and as financial and management consultant. She also presided over the Human Capital Development Board of San Juan, a publicly funded non-profit corporation that promotes job development and training for the young and adults alike. Carmen also served as Puerto Rico Secretary of the Treasury. She currently serves as board director of Levitt Homes, Intech of Puerto Rico, and Triple S Insurance. Previously, Carmen presided over the Puerto Rico Telephone Company. Company (PRTC).

"I look forward to working with Carmen to increase the Agency's visibility in and impact on Puerto Rico's small business community," said SBA Regional Administrator Michael Pappas. "Her experience will enable her to foster strategic public/private partnerships necessary to accomplish this critical task."



"It is an honor for me to work for this President and Administrator Hector Barreto. I'm excited at the opportunity to have a role in advancing this Administration's agenda of a stronger working relationship between government and small business, and to help expand the economy by creating greater opportunities for small business here in Puerto Rico and the U.S. Virgin Islands," Culpeper said.

SCORE Chapter 588 Opens Korean & Hispanic Branches

When Len Gugick, a SCORE assistant district director with the Metropolitan New York district, is given a challenge, he is more than likely to meet or exceed all expectations.

Len was asked by SCORE district director Chuck Zellner to help the Queens SCORE chapter expand its scope and increase membership. Len began his search by meeting and establishing partnerships with Bill Egan, executive vice president of the Chamber of Commerce of Queens, and Spencer Ferdinand, executive director of the Queens County Economic Development Corporation. Len's goal was to recruit members from the large, ethnically diverse, population of Queens. In so doing, Len was successful in recruiting counselors of two large, ethnic communities in the borough – Hispanic Americans *(Continued on Page 2)*

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SCORE

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and Korean Americans. Hispanics account for more than 30 percent of Queens' 2.4 million residents. Koreans represent 8 percent of the borough's population.



From Left: Ernest Curry, past president of the Hispanic Chamber of Commerce of Queens; Len Gugick, Assistant SCORE Manager, and Eduardo Giraldo, current president of the Hispanic Chamber of Commerce of Queens.

As a result, SCORE established two new branches, a Hispanic American SCORE branch to be led by Ernest Curry, former president of the Hispanic Chamber of Commerce of Queens, and Eduardo Hiraldo, current president. Mr. Andrew Kim, past president of the Korean American Federation of New York, will lead the Korean branch and will be assisted by Ms. Jenny Lee.



From Left: Len Gugick, Jennie Lee and Andrew Kim of the new Korean SCORE branch..

The Korean branch will be located at HSBC Bank, 144th Street in Queens. Ms. Jo Ann De Martino is the bank manager. The branch is scheduled to open by summer's end. The Hispanic SCORE branch will initially meet at the offices of Ernest Curry and Associates on 83rd Street in Elmhurst, Queens, and will open in the fall.

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For more information on the Hispanic SCORE branch, please call Ernest Curry at 718-898-3226. For information on the Korean branch, please call Andrew Kim at 917-440-4589.

NYBDC Is Region 2 Lender of the Year

The New York Business Development Corporation has been named Region 2 Lender of 2004. This recognition is a tribute to NYBDC's total commitment to helping small businesses.



New York Business Development Corporation President and CEO Robert W. Lazar (right), accepts the Regional Lender of the Year award from Bernard J. Paprocki, Syracuse district director.

NYBDC was nominated by Regional Administrator Michael Pappas and selected by Ron Bew, Associate Deputy Administrator for Capital Access. NYBDC has a loan portfolio of \$110 million. Its affiliate, Empire State Certified Development Corporation, is New York State's largest SBA certified development company servicing a 504-loan portfolio of more than \$226 million. Additionally, NYBDC manages the Statewide Zone Capital Corporation with assets of more than \$28 million.

Lending at NYBDC is growing. For the first six months of this fiscal year, NYBDC has seen nearly a 60% increase in 7(a) lending and a 72% increase in 504 lending over the same period last year. In fact, last year, NYBDC and its affiliate, ESCDC, disbursed 178 SBA 7(a) and 504 loans valued at \$57.6 million across New York State.

In addition to outstanding efforts and leadership in the 7(a) and 504 loan programs, NYBDC also created an initiative to help small banks administer SBA loans; sponsors statewide SBA lender roundtables; hosts Small Business Week awards luncheons; raises funds for the operation of the Business Information Center in Albany; contributes to SBA's Microloan program run by the Albany-Colonie

Chamber of Commerce; and, sponsors the Syracuse District Office's Women's newsletter-*The Right Connection*.

Region 2 SBW Celebrations

Region 2 district offices saluted local small businesses at Small Business Week celebrations throughout the region last month:

BUFFALO



Buffalo District Director Frank Sciortino addresses Small Business Week honorees in Buffalo. Banks and organizations honored more than 40 small businesses at the 12th Annual Small Business Awards Luncheon held May 5th at the Marriott Buffalo Niagara Hotel.

SYRACUSE

In Syracuse, scores of small business owners, lenders, resource partners and community officials attended Small Business Week events in both Syracuse and Albany. The Syracuse district has had five of the past six New York State winners.



NYS Small Business Person of the Year Jack Yonally, president of B. Lodge & Company, a retail clothing store in Albany, receives his award from Syracuse District Director BJ Paprocki.

NEW JERSEY

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In New Jersey, nearly 400 small business owners attended Small Business Week festivities at the 7th Annual New Jersey Small Business Conference, sponsored by the New Jersey State Chamber of Commerce.



SBA New Jersey District Director James A. Kocsi (right) presents Jack A. Panzarella, CEO and founder of Street Glow, Inc. (left) with the U.S. Small Business Administration's 2004 New Jersey Small Business Person of the Year Award.

NEW YORK



From Left: SBA New York District Director José Sifontes presents district Small Business Week winners with their awards.

PUERTO RICO



Puerto Rico Secretary of State José Izquierdo presents SBA Puerto Rico District Director Carmen Culpeper with the Governor's SBW Proclamation in PR. Joining them is Antonio Sosa, Executive Director of Puerto Rico Trade.

The “Apprentice” Attends SBA Expo -04



SBA Regional Administrator Michael Pappas and The Apprentice Bill Rancic at SBA Expo '04 in Orlando, Florida.

At SBA Expo 2004 in Orlando, FL, Region 2 Administrator Michael Pappas served as Master of Ceremonies at the Champion Awards Luncheon which featured Bill Rancic, winner of Donald Trump’s “The Apprentice,” as the keynote speaker. Expo '04 attracted roughly 3,400 attendees, including 341 exhibitors and 27 corporate sponsors. As a result of the Business Matchmaking portion of Expo '04, 2,700 appointments were made between small businesses and 175 buying activities, representing 83 organizations.

Region 2 Initiatives

Roundtable on Health Savings Accounts

Regional Administrator Michael Pappas and Congressman Scott Garrett (NJ-5) will conduct a regional roundtable on the benefits of Health Savings Accounts (HAS), signed into law last year by President George W. Bush, and Associated Health Plans (AHP), whose legislation is awaiting passage by the Senate.

HSAs are tax-free savings accounts that individuals can use to pay for routine medical expenses. AHPs would allow small business owners to join together and pool their resources in order to provide affordable health care. The roundtable will be held at Bergen County Community

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College on Monday, June 28th at 10:00 a.m. Small business owners interested in attending are asked to contact Diana Parra at (973) 645-3582 or via e-mail at diana.parra@sba.gov

Pappas Holds Realtor Roundtables on 504

In an effort to increase awareness of the SBA 504 Certified Development Company Loan Program, SBA Regional Administrator has conducted a series of roundtables attended by commercial realtors throughout the region.



SBA Regional Administrator Michael Pappas and Syracuse District Director BJ Paprocki meet with commercial realtors in Syracuse, NY.

“Many commercial realtors are unaware of the tremendous benefits the 504 loan program offers them and their customers,” said Pappas. “The 504 program is designed to promote economic growth and foster job creation by providing fixed rate, low down payment financing for land, buildings and equipment.”

Pappas encourages commercial realtors to consider the 504 loan program when negotiating small business real estate deals. A benefit of the program to lenders is lower risk. The lender has the first mortgage covering 50 percent of the loan, a Certified Development Company (CDC) covers 30-40 percent and the borrower puts in the remaining 10-20 percent. Borrowers benefit from a lower down payment and are able to preserve working capital.

District Highlights

Buffalo: A new **504 lender** has been submitted to SBA headquarters by the Erie County Industrial Agency (ECIDE). Upon approval, there will be a lenders’ roundtable to announce and promote their entrance into the

program...Rochester Branch Manager **F. Peter Flihan** retired on April 30, 2004. All of us in Region 2 wish Peter a long and healthy retirement!...Loan Officer **Victoria Reynolds** has been named Branch Manager.

New York: The New York City chapter of **SCORE** has announced a new initiative to help small business owners obtain financing to grow their businesses. SCORE will actively assist prospective borrowers through the loan application process and try to match them with appropriate lenders. According to **SCORE Chairman Alvin Roselin**, "New York City's entrepreneurs haven't really associated SCORE with a means for obtaining capital. We're going to change that perception with our new lender relationships and this initiative." Interested companies may contact SCORE at 212-264-4507.

Syracuse: 120 small business owners recently attended the "**Small Business - Growing Opportunities**" training event in Auburn. This rural initiative, coordinated by SBA's Syracuse District Office, brings federal, state and local help to businesses in rural communities across the 34-county district.



Panelists from the SBDC, SCORE, WBC and local small business service providers attend the "Small Business: Growing Opportunities" conference.

Syracuse: Congratulations to the **Syracuse District Office** for being selected the Fiscal Year **2003 Region 2 District Office of the Year!** The office was named by Administrator Barreto as the top office in the region in goal attainment.



SBA District Director BJ Paprocki, surrounded by staff, holds plaque naming the Syracuse District Office as Region 2 Office of the Year.

Health Savings Accounts and Association Health Plans Offer Solutions to Small Business Owners' Most Pressing Problem

Note: The following is an opinion-editorial by SBA Regional Administrator Michael Pappas.

There is a powerful new tool in the arsenal of small business owners who want to provide health care insurance for themselves, their families, and their employees.

The tool is called the Health Savings Account, or HSA. Signed into law by President George W. Bush late last year, HSAs offer small business owners and employees what they need from their health care coverage: affordability, portability, and freedom.

HSAs are tax-free savings accounts that individuals can use to pay for routine medical expenses. Anyone can own an HSA. Employers and employees alike can contribute. Contributions are tax free. Interest is tax free. Withdrawals for routine medical expenses are tax free.

If you open an HSA, it belongs to you. That means you choose how much to put in. You choose which health care services you want to purchase. You choose your own doctor.

It also means that your HSA goes with you wherever you go. You might change jobs. You might choose to stop working altogether. You might move across the country. It doesn't matter -- your HSA is yours, and it is always there to help you afford the health care you need.

HSAs are not only a powerful tool for the people who own them. They also offer a tremendous opportunity for small business owners who want to offer health insurance to their employees but previously could not afford it. HSAs can save small business owners up to 40 percent in health care costs. That means some small business owners who never could offer health care to their employees before can do so now if they take advantage of HSAs. It also means that
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HSAs

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small businesses that switch to HSAs from other, traditional health coverage plans can save more money to buy new equipment, grow their businesses, and create even more jobs for hard-working Americans.

Here's how it works: To set up an HSA, a worker or his employer must first obtain a high-deductible insurance policy to cover major medical expenses. The premiums for such high-deductible plans are much lower than traditional plans, but they provide coverage for surgery, hospital stays and other large expenses. Having obtained coverage for major medical bills, workers can then open an HSA to cover routine medical expenses, such as visits to the doctor or over-the-counter drugs. Those individuals or their employers can contribute up to \$2,600 for an individual or \$5,150 for a family to their HSA account.

Small business owners across America are taking advantage of HSAs – but I hope even more will discover this powerful new tool. That is why the U.S. Small Business Administration is coming to Bergen County Community College and bringing small business owners together to talk about HSAs -- to help pass the word to their fellow entrepreneurs about this new way of providing health care to their employees.

Of course, the fight for affordable health care is far from over. Small businesses are still at a distinct disadvantage when it comes to finding affordable ways to provide for their employees. For example, while large corporations can leverage their considerable buying power to negotiate lower cost health care plans, small businesses have no such advantage. But if small businesses were allowed to band together to purchase health insurance for their employees, they would be able to command the same respect – and low costs – that big corporations do. That is why President Bush supports Association Health Plans (AHPs). The idea behind AHPs is simple: the law should not prevent small business owners from joining together and pooling their resources in order to provide affordable health care. AHPs would level the playing field, by giving small businesses the same buying power that large companies already have.

Small businesses are the engines of our economy. They are the innovators and job creators of America. President George W. Bush and the SBA are committed to helping them find new ways for them and their employees to succeed. Affordable health care must be part of that success, and HSAs and AHPs are a big step in the right direction.

Advocacy Corner

Study: Veteran-Owned Businesses Receive More Federal Contract \$\$\$ Than Reported

Veteran-owned firms receive substantially more federal contract dollars than official figures show, according to a study released today by the Office of Advocacy of the U.S. Small Business Administration.

Official statistics from the Federal Procurement Data System (FPDS) indicate that veteran-owned businesses were awarded 0.6 percent of total prime contract dollars in fiscal year 2002 and 0.4 percent in fiscal year 2001. However, according to the new analysis veteran-owned businesses received at least 1.7 percent of prime contract dollars in fiscal year 2002 and 1.6 percent in fiscal year 2001.

"Today America's veterans received some good news," said Thomas M. Sullivan, Chief Counsel for Advocacy. But many federal agencies still have a long way to go to reach their procurement goals, particularly their three percent goal for service-disabled veteran-owned businesses," he said.

Alan Steinberg is the Region 2 Advocate and may be reached at alan.steinberg@sba.gov. For more information, visit the Office of Advocacy website at www.sba.gov/advo.

Business Matchmaking Helps Small Business Win Federal Contracts

For smaller firms, there's never been a better time to do business with large corporations and government agencies. In fact, recent changes in federal laws that define government contracting coupled with the incentives provided to big business to contract with smaller firms has made it that much easier for your business to participate in a multi-billion opportunity.

If you don't have any experience in selling to federal, state or local governments or large corporations or are just starting out in exploring the opportunities that exist for your business in this arena, the Small Business Procurement Workshop - An Introduction to Business Matchmaking, is a valuable investment of your time at no cost.

The Small Business Procurement Workshop is a half-day concentrated presentation designed to help small companies prepare to do business with government agencies and large corporations. Experts from the U.S. Small Business Administration, SCORE, Small Business Development Centers and the private sector will present an intensive, engaging training session covering curriculum in the following areas:

- Identifying government and large corporation procurement buyers that are right for your business;
- Writing and submitting successful proposals;
- Effective marketing and sales approaches to government and large corporations;
- The benefits of government certification and how it can afford your business the opportunity for growth and income;
- A comprehensive introduction to free small business resources accessible via the SBA, SCORE and Small Business Development Centers;
- How the Business Matchmaking program works.

This program is for companies who have just begun procurement work and for start ups and other small companies who want to grow in that direction.

Note: While the Detroit and Philadelphia matchmaking events are presently closed to registration, to be contacted directly in case of cancellations, please e-mail your request to: registration@businessmatchmaking.com.

Also, following our July 22nd event, the content of the workshop will be available on the Business Matchmaking website for your free use.

Inside Region 2

**Michael Pappas, Regional Administrator
Region 2**

**Editor: Diana L. Parra
Regional Communications Director**

*Copies of **Inside Region 2** are distributed free of charge to SBA resource partners, service providers, small business owners and other advocates of small business. To request additional copies, or to be added to our mailing list, please contact Diana Parra at diana.parra@sba.gov.*